

**LYSAGHT GALVANIZED STEEL BERHAD**  
**THE NOMINATION COMMITTEE**  
**TERMS OF REFERENCE**

**Composition of the Nominating Committee**

The Committee shall be appointed by the Board composed exclusively of non-Executive Directors and shall fulfill the following requirements:-

- a) the Committee shall be composed of no fewer than three (3) members; and
- b) a majority of the Committee must be independent directors.

The Chairman of the Committee should be identified by the Board. The Board may appoint such additional Directors to the Committee or remove and replace members of the Committee by resolution.

The Board shall periodically review the membership and terms of reference of the Committee to determine its adequacy for current circumstances and the Committee may recommend any change it considers necessary to the Board for approval.

**Responsibility**

The Committee has the responsibility for proposing new nominees for the Board and for assessing Directors on an on-going basis. The actual decision as to who shall be nominated should be the responsibility of the full Board after considering the recommendations of the Committee.

**Rights**

The Committee shall, in accordance with the procedure determined by the Board and at the cost of the company:-

- a) have the resources which are required to perform its duties;
- b) have full and unrestricted access to any information pertaining to the Company;
- c) have direct communication channels with the Senior Executive Management; and
- d) be able to obtain independent professional or other advice.

**Functions**

The functions of the Nominating Committee shall include the following:-

- 1) establish process for the appointment and re-appointment of Directors, including establishing criteria for Board membership.
- 2) evaluate and recommending to the Board of candidates for appointment and re-appointment as Directors, whether of Executive or non-Executive position.

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- 3) recommend to the Board, candidates for all directorships to be filled by the shareholders on the Board.
- 4) consider, in making its recommendations, candidates for directorships proposed by the Managing Director/Chief Executive Officer and, within the bounds of practicability, by any other Senior Executive or any Director of Shareholder.
- 5) recommend to the Board, candidates to fill the seats on Board Committees.
- 6) periodically reviewing the structure, size, balance and composition of the Board including the appropriate mix of skills, knowledge, experience, expertise, integrity, gender, ethnicity and age diversity required on the Board
- 7) evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- 8) assess annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including Independent non-Executive Directors. All assessments and evaluations carried out by the Committee in the discharge of all its duties and responsibilities should be properly documented.
- 9) review and define induction and ongoing training and education programmes for the Board to seek to ensure that Directors are provided with adequate information regarding the operation of the business, the industry and their legal responsibilities and duties.
- 10) give full consideration to succession planning for Directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.

**Procedures for selection & appointment of Directors**

- 1) The following are factors to be considered when reviewing a candidate for Board appointment:
  - a) the reputation, skills, knowledge, experience, expertise, integrity and personal trait that will best complement Board effectiveness.
  - b) the existing composition of the Board, aimed at providing the Board the benefits of diversity among its Directors; and
  - c) the capability of the candidate to devote the necessary time and commitment to the role. This involves a confirmation of other commitments such as other

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Board or executive appointments, integrity, potential conflicts of interest, and independence.

- 2) Comprehensive background information in relation to a candidate should be furnished to all Directors.
- 3) The use of external search organisations for identification of potential Director candidate may be considered, if deemed necessary.
- 4) An offer of a Board appointment must be made by the Chairman only after having consulted all Directors, with any recommendations from the Committee having been circulated to all Directors.
- 5) All Board appointments should be formalized by letter in the standard format as approved by the Board or the Committee from time to time.

**Meetings and Minutes**

- 1) Secretary

The Company Secretary or his or her nominee shall act as the secretary of the Committee.

- 2) Frequency of Meetings

Meetings of the Committee shall be held at least once a year. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting.

Other Board members and any other persons may attend any particular meeting only at the Committee's invitation.

- 3) Notice of Meeting

Meetings of the Committee shall be arranged by the Committee Secretary at the request of the Committee Chairman or any other member of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting date together with an agenda and supporting papers. The Committee Secretary shall ensure that agenda and supporting papers are received in a timely manner to enable full and proper consideration.

- 4) Quorum for Meetings

The quorum for the meeting shall be two (2) provided always that the majority of members present must be independent directors and any decision shall be by a simple majority.

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5) Minutes of meetings

The Committee Secretary shall minute the proceedings and resolutions of all Committee meetings.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Committee unless it is deemed inappropriate to do so.

6) Reporting Responsibilities

The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. When presenting any recommendation to the Board, the Committee will provide such background and supporting information as may be necessary for the Board to make an informed decision.